



**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

#2

January 26, 2016

PATRICK O'QUINN  
ACTING EXECUTIVE OFFICER

Los Angeles County  
Board of Supervisors

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January 26, 2016

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**PUBLIC HEARING ON PROPOSED BILLING RATES FOR THE  
DEPARTMENT OF HEALTH SERVICES  
(ALL SUPERVISORIAL DISTRICTS) (3-VOTES)**

Mitchell H. Katz, M.D.  
Director

Hal F. Yee, Jr., M.D., Ph.D.  
Chief Medical Officer

Christina R. Ghaly, M.D.  
Deputy Director, Strategy and Operations

**SUBJECT**

Request approval of proposed charges for the Department of Health Services.

**IT IS RECOMMENDED THAT THE BOARD AFTER THE PUBLIC HEARING,**

Approve the new or updated all-inclusive charges for inpatient services rendered at the Department of Health Services' (DHS) hospitals as reflected on Attachment I. These rates, if approved, will become effective for service dates on or after February 1, 2016.

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Los Angeles, CA 90012

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*To ensure access to high-quality,  
patient-centered, cost-effective  
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residents through direct services at  
DHS facilities and through  
collaboration with community and  
university partners.*



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### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Attachment I contains the complete list of new all-inclusive inpatient rates for the four DHS hospitals. The recommended action will allow DHS to increase the all-inclusive charges for inpatient services presently being used by LAC+USC Medical Center, Harbor-UCLA Medical Center, Rancho Los Amigos National Rehabilitation Center and Olive View-UCLA Medical Center. These rates have been revised to assure that the charges sufficiently cover the costs of producing the services, and will maximize Medi-Cal reimbursement.

On October 14, 2014, the Board approved itemized charges for hospital services which DHS was authorized to use after November 1, 2014 at facilities which were capable of issuing, processing and documenting the itemized charges accurately. It was also authorized to continue to use all-inclusive charges for the other facilities. DHS has not exercised its authority to bill on an itemized basis and continues to use all-inclusive charges at all of its hospitals, even those at which Online Real-Time Centralized Health Information Database (ORCHID) has been implemented. Approval of this recommendation will allow DHS to utilize updated all-inclusive rates for inpatient hospital service charges until itemized billing is implemented. This recommendation does not modify or limit the authority granted to DHS on October 14, 2014 to use itemized rates or to add new rates under certain circumstances.

### **Implementation of Strategic Plan Goals**

The recommended actions support Goal 1, Operational Effectiveness/Fiscal Sustainability, of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

Approval of these rates will allow DHS to meet payer requirements and maximize reimbursement under various third party payor programs by ensuring charges are at least equal to the cost of services provided. The revenues generated from these rates are included in the Fiscal Year 2015-16 Final Budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Health and Safety Code Section 1473 authorizes the Board to set fees for hospital and hospital-related clinician services. DHS' rates for inpatient services were last adjusted on November 1, 2014.

In accordance with Government Code, Section 66018, a public hearing will be held as required, prior to the approval of a change to an existing fee. Special notice of that public hearing (Attachment II), in compliance with Government Code Section 6062a, has been published by the Executive Office.

### **CONTRACTING PROCESS**

Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There should be no impact on current services or access to health services as a result of this action since most of DHS' patients are not responsible for paying full charges. Most DHS patients have limited financial resources and are covered by a government payment program or Covered California, or can apply for one of the County's No Cost/Low Cost programs, such as the Ability-to-Pay Plan. Consequently, the rate increases should not have a material impact on these individuals. Approval of this action will allow DHS to meet payer requirements and revenue projections included in the DHS Fiscal Outlook.

Respectfully submitted,

A handwritten signature in black ink that reads "Mitchell Katz". The signature is written in a cursive, slightly slanted style.

Mitchell H. Katz, M.D.

Director

MHK:ANW:js

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Officer, Board of Supervisors

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES  
**LAC+USC HEALTHCARE NETWORK**  
**INCLUSIVE HOSPITAL AND RELATED STAFF SERVICES RATES**  
**Fiscal Year 2015-16**

<u>FACILITY: LAC+USC MEDICAL CENTER</u>	<u>MEDI-CAL UB 92 NATIONAL DESCRIPTOR CODES</u>				<u>HOSPITAL &amp; RELATED STAFF SERVICES</u>	<u>HOSPITAL SERVICES</u>
<b><u>INPATIENT SERVICES</u></b>						
Acute Medical	111	121	131	151	\$10,460	\$10,042
Burn ICU	207				24,163	23,196
Cadaver Organ Harvest	N/A				21,368	20,513
Intensive Care - Adults	200				23,845	22,891
Intensive Care - Pediatrics	203				23,845	22,891
Jail	N/A				5,583	5,360
Neonatal Intensive Care Unit	174				23,845	22,891
Nursery Acute (no related delivery)	172				7,430	7,133
Nursery-Newborn (mother is ineligible)	170				6,360	6,106
OB Mother	112	122	132	152	11,040	10,598
OB Nursery	171				6,360	6,106
Pediatrics	113	123	133	153	10,442	10,024
Progressive Care Unit	111	121	131	151	14,799	14,207
Psychiatric	N/A				5,523	5,302
Skilled Nursing Administrative Days - Routine *	169				-	-
Surgical	111	121	131	151	12,569	12,066

**Note:**

(1) Rate change effective February 1, 2016.

\* Skilled Nursing Administrative Days - Routine are billed under the Medi-Cal Non-Contract services using UB 92 code 169.

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES

**METROCARE NETWORK**  
**INCLUSIVE HOSPITAL AND RELATED STAFF SERVICES RATES**  
**Fiscal Year 2015-16**

<u>FACILITY: HARBOR-UCLA MEDICAL CENTER</u>	<u>MEDI-CAL UB 92 NATIONAL DESCRIPTOR CODES</u>				<u>HOSPITAL &amp; RELATED STAFF SERVICES</u>	<u>HOSPITAL SERVICES</u>
<b><u>INPATIENT SERVICES</u></b>						
Acute Medical	111	121	131	151	\$10,460	\$10,042
Cadaver Kidney Acquisition	N/A				36,778	35,307
Clinical Study Center	111	121	131	151	7,293	7,001
Intensive Care - Adults	200				23,845	22,891
Intensive Care - Pediatrics	203				23,845	22,891
Live Donor Kidney	111	121	131	151	48,832	46,879
Neonatal Intensive Care Unit	174				23,845	22,891
Nursery-Newborn (mother is ineligible)	170				6,360	6,106
OB Mother	112	122	132	152	11,040	10,598
OB Nursery	171				6,360	6,106
OB Special Care Nursery	172				6,976	6,697
Pediatrics	113	123	133	153	10,442	10,024
Psychiatric	N/A				5,523	5,302
Skilled Nursing Administrative Days-Routine *	169				-	-
Stepdown "Intermediate Care" Unit	N/A				12,205	11,717
Surgical	111	121	131	151	12,569	12,066

**Note:**

(1) Rate change effective February 1, 2016.

\* Skilled Nursing Administrative Days - Routine are billed under the Medi-Cal Non-Contract Provider services using UB 92 code 169.

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES

**RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER  
INCLUSIVE HOSPITAL AND RELATED STAFF SERVICES RATES  
Fiscal Year 2015-16**

FACILITY: RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER	MEDI-CAL UB 92 NATIONAL DESCRIPTOR CODES				HOSPITAL & RELATED STAFF SERVICES	HOSPITAL SERVICES
<b><u>INPATIENT SERVICES</u></b>						
Acute Medical	111	121	131	151	\$10,460	\$10,042
Definitive Observation Unit	111	121	131	151	17,417	16,720
Intensive Care - Adults	200				23,845	22,891
Intensive Care - Pediatrics	203				23,845	22,891
Liver	111	121	131	151	9,345	8,971
Skilled Nursing Administrative Days-Routine *	169				-	-
<b>Surgical:</b>						
Surgical-Level 1	111	121	131	151	10,399	9,983
Surgical-Level 2	111	121	131	151	17,310	16,618
Surgical-Level 3	111	121	131	151	24,237	23,268
Surgical-Level 4	111	121	131	151	33,482	32,143
Surgical-Level 5	111	121	131	151	44,663	42,876
Surgical-Level 6	111	121	131	151	55,978	53,739
Surgical-Level 7	111	121	131	151	67,181	64,494
Surgical-Level 8	111	121	131	151	78,620	75,475
Surgical-Level 9	111	121	131	151	91,418	87,761
Surgical-Level 10	111	121	131	151	103,761	99,611
Surgical-Level 11	111	121	131	151	116,828	112,155
Surgical-Level 12	111	121	131	151	132,524	127,223
Surgical-Level 13	111	121	131	151	148,650	142,704
Surgical-Level 14	111	121	131	151	164,197	157,629
Surgical-Level 15	111	121	131	151	180,063	172,860
Surgical-Level 16	111	121	131	151	195,757	187,927
Surgical-Level 17	111	121	131	151	211,460	203,002
Surgical-Level 18	111	121	131	151	227,161	218,075
Surgical-Level 19	111	121	131	151	242,867	233,152
Surgical-Level 20	111	121	131	151	261,710	251,242
Weekend Therapeutic	N/A				3,961	-

**Note:**

(1) Rate change effective February 1, 2016.

\* Skilled Nursing Administrative Days - Routine services are billed under the Medi-Cal Non-Contract services using UB

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES  
**VALLEYCARE NETWORK**  
**INCLUSIVE HOSPITAL AND RELATED STAFF SERVICES RATES**  
**Fiscal Year 2015-16**

<u>FACILITY: OLIVE VIEW-UCLA MEDICAL CENTER</u>	<u>MEDI-CAL UB 92 NATIONAL DESCRIPTOR CODES</u>				<u>HOSPITAL &amp; RELATED STAFF SERVICES</u>	<u>HOSPITAL SERVICES</u>
<b><u>INPATIENT SERVICES</u></b>						
Acute Medical	111	121	131	151	\$10,460	\$10,042
Intensive Care - Adults	200				23,845	22,891
Intensive Care - Pediatrics	203				23,845	22,891
Neonatal Intensive Care Unit	174				23,845	22,891
Nursery Acute (no related delivery)	172				7,430	7,133
Nursery-Newborn (mother is ineligible)	170				6,360	6,106
OB Mother	112	122	132	152	11,040	10,598
OB Nursery	171				6,360	6,106
OB Special Care Nursery-Mother & Baby In-house	172				6,976	6,697
OB Special Care Nursery-Mother Discharged	172				6,976	6,697
Pediatric	113	123	133	153	10,442	10,024
Pediatric Intensive Special Care	N/A				15,686	15,059
Psychiatric	N/A				5,523	5,302
Skilled Nursing Administrative Days - Routine *	169				-	-
Surgical	111	121	131	151	12,569	12,066
Surgical-Level 2	111	121	131	151	25,576	24,553
Surgical-Level 3	111	121	131	151	30,997	29,757

**Note:**

(1) Rate change effective February 1, 2016.

\* Skilled Nursing Administrative Days - Routine services are billed under the Medi-Cal Non-Contract services using UB 92 code 169.

**ATTACHMENT II**

**NOTICE OF PUBLIC HEARING**

**DEPARTMENT OF HEALTH SERVICES: PROPOSED BILLING RATES**

Notice is hereby given that a public hearing will be held by the Board of Supervisors regarding the proposal to update the all-inclusive charges to be used by the Department of Health Services for inpatient services provided at the LAC+USC Medical Center, Harbor-UCLA Medical Center, Rancho Los Amigos National Rehabilitation Center and Olive View-UCLA Medical Center. The proposed all-inclusive rates, if approved, will become effective February 1, 2016 and will be utilized at all of the facilities until itemized billing is implemented. Said hearing will be held on January 26, 2016 at 9:30 a.m., in the Hearing Room of the Board of Supervisors, Room 381B, Kenneth Hahn Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, California 90012.

The Board of Supervisors will consider and may adopt the proposal. Further, notice is given that the Board of Supervisors may continue this hearing from time to time.

Written comments may be sent to the Executive Office of the Board of Supervisors at the above address. If you do not understand this notice or need more information, please call the County of Los Angeles, Department of Health Services, Fiscal Programs at (213) 240-8109.

Si no entiende esta noticia o si necesita mas información, favor de llamar  
(213) 240-8109.

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Patrick Ogawa  
Acting Executive Officer, Board of Supervisors

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1/26/16